Indo-Iranian Joint Venture in Steel Sector

1696. DR. SANJAYA SINH : Will the Minister of STEEL be pleased to state :

(a) whether there is a proposal under Government's consideration for the setting up of Indo-Iranian Joint Venture in Steel Sector; and

(b) If so, what are the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV) : (a) and (b) A Memorandum of Understanding (MOU) was concluded during the visit of Secretary (Steel) to Iran in October 1993 which inter-alia envisages the establishment of a joint venture between M/s. Ascotech a subsidiary of National Iranian Steel Company. and Kudremukh ron O re Company Limited (KIOCL) and Metallurgical & Engineering Consultants (India) Limited (MECON) of India for providing technical services in Iran India and third Countries, The proposal is being pursued with the Iranian authorities.

Increase in prices of steel products by sail

1697. SHRI INDER KUMAR GUJRAL : Will the Minister of STEEL be pleased to state :

(a) whether it is a fact that SAIL proposes to raise the prices of its steel products substantially;

(b) if so, what are the reasons therefor; and

(c) whether at this price the Indian industry consuming steel will remain competitive both at home and abroad ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV) : (a) to (c) Prices of iron & steel materials have been revised by SAIL w.e.f. 1-3-1994 on account of revision of Excise Duty. The details of this revision are as under :—

	As on 28-2-94	w.e.f., 1-3-94
Pig Iron	Rs. 500 per tonne	10% ad-valorem
Steel		
Long Products	Rs. 1000 per tonne	15% -do-
Flat Products	12.5% ad-valorem	15% -do-

Prices of iron & steel materials are reviewed/ revised by SAIL from time to time depending on various factors like cost of production, Government policies, market forces etc. prevailing at that point of time. The Indian Industries including those consuming steel get MODVAT benefits on excise duty, as such they will not be adversely affected by the recent price rise on account of revision in Excise duty.

नए इस्पात संयंत्रों की स्थापना किया जाना

1698. **श्री ईश दत्त यादव** : क्या इस्पात मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि इस्पात की मांग को पूरा करने हेतु नए इस्पात संयंत्र स्थापित करने की दिशा में कोई प्रयास नहीं किया गया है;

(ख) यदि हां, तो इस संबंध में ब्यौरा क्या है; और

(ग) सरकार द्वारा नए संयंत्र स्थापित किए जाने के संबंध में क्या प्रयास किए गए हैं ?

इस्पात मंत्रालय के राज्य मंत्री (श्री सन्तोष मोहन देव) : (क) से (ग) संसाधनों की अड़चनों के कारण केन्द्र सरकार का आठवीं पंचवर्षीय योजना के दौरान सरकारी क्षेत्र में कोई नया इस्पात संयंत्र स्थापित करने

का कोई प्रस्ताव नहीं है। यद्यपि, सरकार ने अतिरिक्त क्षमता सृजित करने के लिए कदम उठाए हैं। जुलाई, 1991 में घोषित नई औद्योगिक नीति के तहत लोहा और इस्पात उद्योग को सरकारी क्षेत्र के लिए आरक्षित उद्योगों की सूची से निकाल दिया गया है तथा स्थान संबंधी कतिपय प्रतिबंधों की शर्तों पर इसे उद्योग (विकास एवं विनियम) अधिनियम, 1951 के तहत अनिवार्य लाइसेंसिंग के प्रावधानों से भी छूट दे दी गयी है। अतः नए इस्पात संयंत्रों की स्थापना करने के लिए औद्योगिक लाइसेंस की आवश्यकता नहीं है। मूल्य और वितरण पर से नियंत्रण समाप्त कर दिया गया है तथा लोहा और इस्पात उद्योग को उच्च प्राथमिकता प्राप्त उद्योगों की सूची में शामिल कर लिया गया है। इनमें ऐसे उद्योगों के लिए 51 प्रतिशत विदेशी साम्या निवेश हेतु स्वतः अनुमोदन तथा कुछ शर्तों सहित विदेशी प्रौद्योगिकी करारों के लिए प्रावधान हैं।

Losses of Visvesvaraya Iron and Steel Limited

1699. SHRI G. Y. KRISHNAN : Will the Minister of STEEL be pleased to state :

(a) whether the Visvesvaraya Iron and Steel Limited (Karnataka), a subsidiary of the Steel Authority of India Limited, is soon going the Indian Iron and Steel Company, Burnpur (IISCO) way;

(b) if so, the accumulated losses sustained by it as per latest information available with his Ministry;

(c) whether it is still incurring heavy losses;

(d) if so, the reasons for VISL's affliction and what are the major factor driving South India's only integrated steel plant to the sick bay; and

(e) what steps Government propose to take to save this one-time efficiently managed and profit-earning plant before it heads or a referral to the Board of Industrial and Financial Reconstruction (B I F R) ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV) : (a) to (e) During the second half of the 1980's, Goverment of Karnataka requested Government of India to take over VISL as it was a sick unit requiring technological, financial and managerial support for its revitalisation. Accordingly, SAIL became a majority shareholder of the company in August 1989 after the terms and conditions of the take over were negotiated between the two Governments.

Since the take over of VISL by SAIL several technological and managerial decisions have been implemented, such as product mix improvement, widening of market base, training of manpower, which has resulted in improvement of performance in the Plant. In addition various projects have been implemented under the technological and managerial guidance of SAIL. SAIL has provided funds for VISL for improving its capital expenditure and working capital needs. Purchase and price preference was given to VISL by SAIL in purchase of ferro silicon.

As a result of the above measures, VISL showed continuous improvement in its profitability for a period of 3 continuous years after the take over as there was no cash loss. However, there have been three massive power tariff hikes by Karnataka Electricity Board since the take over, which has cast a heavy financial burden on VISL. The latest accumulated loss as per audited accounts on 31-3-93 is Rs. 66.30 crores. The main reasons for VISL's heavy losses inspite of improvement in its production and techno-economics, are the high power tariff, recession in demand of alloy steels and outmoded and obsolete technology. To make VISL financially viable, certain proposals have been drawn up, which have been taken up with Karnataka Government which holds a 40% stake in the Company. These are under discussion with the Government of Karnataka.

Iron-ore production in Chiria Iron ore Mines

1700. SHRI PARMESHWAR KUMAR GARWALLA : Will the Minister of STEEL be pleased to state :

(a) what are the details regarding production of iron-ore, qurlity wise, in chiria Iron Ore Mines during the 3 years: